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FOR IMMEDIATE RELEASE

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City Actively Moves Forward With New Downtown

***Development Team Chosen to help plan and develop the proposed Capitol Avenue/Downtown
Retail Development Project***

Fremont, CA – February 3, 2004 – At Tuesday evening's Fremont City Council meeting, City Council selected Capitol Avenue Partners, LLC (Sunhill Development) and Blake Hunt Ventures as Co-developers to help plan and potentially develop Fremont's proposed Capitol Avenue/Downtown project. The proposed project, to be situated at the heart of Fremont at Fremont Boulevard and Mowry Avenue, will hopefully become a premier pedestrian-scale, mixed-use, lifestyle center serving Fremont, the tri-city region, and the East Bay. Currently, Fremont is significantly under-retailed in comparison shopping and lacks a critical mass of much needed retail specialty stores and upscale dining.

Fremont is the ideal market for this type of vibrant mixed-use retail with a Primary and Secondary Trade Area of over 380,500 residents and 124,000 households. In addition, Fremont has a daytime population of over 109,000. An independent analysis of the area indicates that Capitol Avenue/Downtown can easily support 300,000 +/- square feet of retail and entertainment uses, including branded comparison retailers/boutiques, house & home, family entertainment, and upscale destination restaurants.

The development team chosen to put together a plan for the proposed Capitol Avenue/Downtown Fremont project is Capitol Avenue Partners, LLC (Sunhill Development) and Blake Hunt Ventures as Co-developers. Sunhill Development is a property developer with substantial commercial real estate holdings, including the Fremont Plaza retail center (a property renovated in the mid-90's) located at Fremont Boulevard and Mowry Avenue, which is both partially included and adjacent to the proposed retail development project. Blake Hunt Ventures is a Bay Area-based retail and mixed-use developer with \$300 million in activity currently under various stages of development.

The specific action taken by the City Council on Tuesday authorizes the City Manager to enter into a Memorandum of Understanding (MOU) with Capitol Avenue Partners, LLC (Sunhill Development) and Blake Hunt Ventures. As the first step, the Co-developers will develop a Concept Plan (e.g., site plan, building architecture, and street design), Finance Plan, and Business Plan necessary to develop and implement the proposed project. Once submitted, there will be an opportunity for City Council and public evaluation of the development options.

The proposed development of Capitol Avenue/Downtown Fremont is a key component to the economic vitality of Fremont. The development of the project core, Capitol Avenue, will provide a link between existing retail centers such as Fremont Plaza and the Fremont HUB, solid institutional employers such as the City of Fremont and Washington Hospital, and the Fremont BART station. The plan to be developed by Capitol Avenue Partners, LLC (Sunhill Development) and Blake Hunt Ventures will serve as the basis of a proposed project that will serve as a recognizable and memorable Downtown in which residents can take pride and will also serve as a desirable destination for people throughout the East Bay.

Additional economic and community benefits include:

- Improvement in overall business activity, e.g., increased sales for existing businesses in the area from new office workers, residents, and visitors.
- Catalyst for new and infill investment in the area.
- Increased surrounding property values – thereby creating potential for upgrade and/or enhancement of existing properties.
- Meets one of City Council’s Strategic Goals of creating “interesting places and things to do.”

The proposed development of Capitol Avenue/Downtown Fremont is intended to upgrade the City’s image and establish it as a regional retail destination. The proposed project will also create a vital central place for community gathering and reinforce an overall sense of place for Fremont residents and businesses.

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